

89th Airlift Wing

The President's Wing

Dorm Finance Briefing



**89 MSS/DPF
PFMP**



Overview



- **Pay and Allowances**
- **Insurance Needs**
- **Other Things to Consider**



Pay & Allowances



- Know the latest pay rates
- Know your correct BAH amount
 - E-1 - E-4 = \$936 or \$1303 w/dep - (2004)
- Keep aware of annual / rank change increases



Insurance

- **Insurance - how much & what type do I NEED?**
 - **NEED: Car / Home (Renter's).**
- **Apartment complex has insurance on the structure only - not your possessions inside.**
- **Average replacement cost for contents of normal 2-bedroom apt. is approximately \$25,000.**
- **Resources for Information:**
 - www.QuickQuote.com**
 - www.Insweb.com**
 - <https://www.netquote.com>**



Issues to Consider



- **Lease Agreement**
 - **How long?**
 - **Military Clause? (Relocate outside a 50 mile radius??)**
 - **What type of notice is necessary to break lease?**
 - **Can you sublet? Under what conditions, if any?**
- **Lease Language**
 - **If you don't know what it means - ASK!**
 - **Housing Office and Base Legal can help**
- **Deposits**
 - **How much? What do you get back - if any?**
 - **Can deposit be used for final month's rent payment?**



Issues to Consider



- **Rent**
 - **How much and when is it due?**
 - **Allotment? Does this work best for you? Late fees?**
- **Limitations**
 - **When, if ever, can Landlord enter your apartment?**
 - **How much notice is necessary?**
 - **Can you operate a home business out of apartment?**
- **Expectations of Service**
 - **Prompt repairs to property**
 - **Are responses to calls made in a reasonable time**



Issues to Consider



- **Commuting**
 - **Is your vehicle in good repair?**
 - **How far?, How much cost?**
 - **How much time?**
 - **How does it affect insurance?**
 - **Leased Vehicle -**
 - **How does this affect your annual authorized mileage?**
- **Determine your Budget**
 - **What's coming in & going out (current / projected)**
 - **Based on what the Apt. is going to cost + utility estimates**
- **Establish an Emergency Fund**
 - **3 to 6 months of expenses is recommended**



Issues to Consider



- **Know Your Credit Score (FICO)**
 - **Snapshot of your credit risk**
- **Because of Credit Scores -**
 - **People get loans faster**
 - **Credit decisions are more fair**
 - **Older credit problems count for less**
 - **More credit is available**
 - **Credit rates are lower overall**
- **Considered: Payment History, Amounts Owed, Length of Credit History, New Credit, & Types of Credit in Use**
- **www.myfico.com (Fair, Isaac & Co. - FICO)**
- **Beacon Score is another version**



Issues to Consider



- **Credit Reporting Agencies (CRA)**
- **EQUIFAX: (800) 685-1111**
 - **www.equifax.com**
- **EXPERIAN: (888) 397-3742**
 - **www.experian.com**
- **TRANSUNION: (800) 888-4213**
 - **www.transunion.com**

Review your credit report at least annually. Errors reported must be investigated/responded to w/in 30 days by CRA.



Issues to Consider



- **Will living in civilian housing put you/family in a financial bind each month?**
- **Do you have sufficient money set aside to meet any unexpected expenses that may arise?**
- **Will your new commute costs cut into savings?**
- **Is your budget surplus + BAH enough to cover the costs of living off-base?**
- **Do you have a plan for meeting obligations in the event of a deployment, TDY, etc.?**



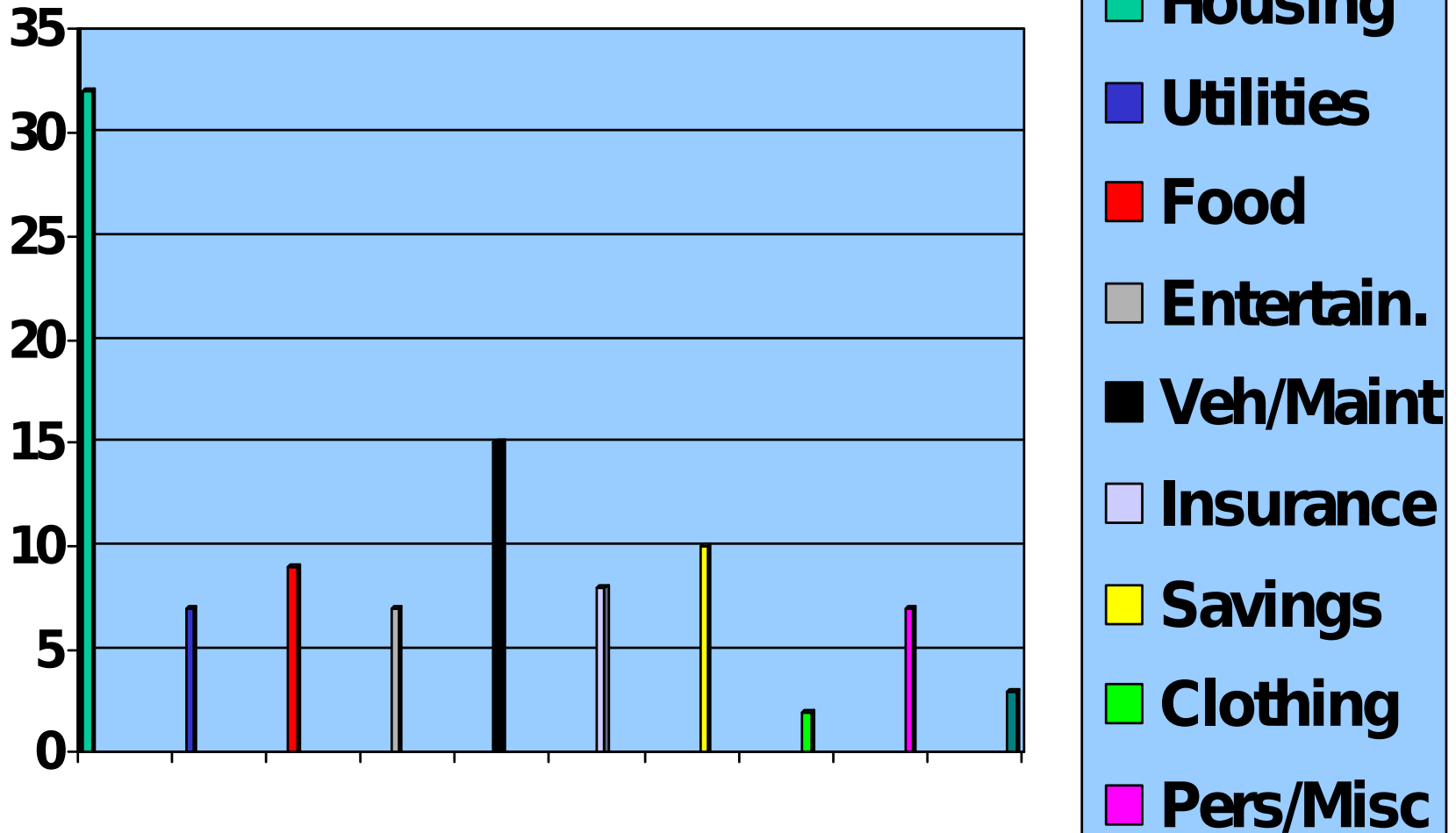
Issues to Consider



- **Can You Meet the Costs of Relocating?:**
- **Homeowners/Renter's Insurance**
- **Utility Hook-Ups (Phone, Cable, etc.)**
- **Deposits - Security, Utility, Rent, Insurance, Telephone**
- **Furnishings:**
 - **Kitchen - Table/chairs, microwave, dishes/utensils**
 - **Cookware - Pots/Pans, Coffee Pot, Toaster**
 - **Living Room - Couch, chair, lamp, TV, stereo, tables**
 - **Bedroom - Bed/bedding, dresser, table/lamp**
 - **Other - Linens, curtains/blinds, fans**



Issues to Consider Expenses as % of Income





Issues to Consider Expenses as % of Income



- **Cost Breakdown of E-4 with 3 yrs + Unacc. BAH + BAS = \$2916.80**
- **Savings = 10% (\$291)**
- **Rent = 32% (\$966)**
- **Utilities = 7% (\$204)**
- **Food = 9%(\$262)**
- **Entertain. = 7% (\$204)**
- **Veh./Maint. = 15% (\$438)**
- **Veh/Rent Ins. = 8% (\$233)**
- **Clothing = 2% (\$ 58)**
- **Pers/Misc. = 7% (\$204)**
- **Left Over = 3% (\$ 88)**



Issues to Consider



- **Rent Vs. Purchase??**
- **Are you familiar with:**
 - **Homeowners/Renter's Insurance Costs**
 - **VA Loans, Mortgages, Loan Origination Fees,**
 - **Lease Agreements, Interest Rates, Closing Costs**
 - **Safety / School / Security Considerations**
 - **Home resale in the event of PCS**
 - **Capital Gains Taxes and Rules**



Resources



- **Legal Assistance:**

- **Andrews Base Legal Office - 301 - 981-2042 / 3622**
- **Appts: Mon. - 0830 - 1030 & 1330 - 1400**
- **W/In: Tue. & Fri. - 0800 - 0900**

- **Family Support Center:**

- **Personal Financial Management Program**
- **301- 981-9211 / 7088**

- **Housing Office:**

- **Off-base Housing**
- **301- 981-5516**



Issues to Consider



QUESTIONS ???